

Trading and Enterprise Board

Minutes of a Virtual Meeting of the Trading and Enterprise Board held on Microsoft Teams on the **22nd September 2020**.

Present:

Cllr. Bell (Chairman)

Cllrs. Clokie, Shorter.

Cllr. Ovenden (Observer).

In accordance with Procedure Rule 1.2(c) Councillor Clokie attended as Substitute Member for Councillor Pickering.

Apologies:

Cllrs. Feacey, Pickering.

Commercial Development Manager (A Better Choice for Property Ltd) (received after meeting)

Also Present:

Cllrs. Burgess, B Heyes, Michael, Wedgbury.

Director of Finance and Economy, Head of Corporate Property and Projects, Accountancy Manager, Senior Accountant, Member Services Manager (Operational).

63 Minutes

Resolved:

That the Minutes of the Meeting of the Board held on the 26th November 2019 be approved and confirmed as a correct record.

64 Exclusion of the Public

Resolved:

That pursuant to Section 100A(4) of the Local Government Act 1972, as amended, the public be excluded from the meeting during consideration of the following items, as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified

by reference to Paragraph 3 of Schedule 12A of the Act, where in the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

65 Loan Facility – A Better Choice for Property

The Director of Finance and Economy introduced the exempt report which sought endorsement of an extension and amendments to the finance facility to A Better Choice for Property Ltd.

During the course of the discussion, responses were given to a number of questions regarding: - the status of the current loan facility and the arrangements for repayments; interest rates payable; the net interest receipts to the Council; options for reviewing any agreed arrangements; insurance of assets; the legal status and separation of Company Directors who were also employed by the Council; details around the proposed operational loan; and whether the original Articles of the Property Company were still being respected.

It was agreed that TEB Members should be given sight of relevant insurance documents to assuage any concerns they may have over insurance of assets. It was also agreed that recommendation (iii) should be amended to formalise an annual review by TEB of the interest returns as part of the equity investment.

It was clarified that the recommendations would need to be approved by Full Council.

Recommended:

- That**
- (i) the available finance facility to A Better Choice for Property Ltd be increased by a further £50m, bringing the total facility to £150m.**
 - (ii) an operational loan to the company of up to £1.5m be approved, with the terms of the loan delegated to the Director of Finance and Economy and the Director of Law and Governance, in consultation with the Portfolio Holder for Finance and IT.**
 - (iii) an equity investment based on 20% of net interest returns to the Council be approved. Authority be delegated to the Chief Finance Officer to identify the appropriate funding mix, and this be reviewed by the Trading and Enterprise Board on an annual basis.**

66 Financial Statements – A Better Choice for Property Limited

The Director of Finance and Economy introduced the exempt report which provided the draft financial statements for A Better Choice for Property Ltd and its subsidiary A Better Choice for Development Ltd. He advised that the statements were independently audited and all were comfortable that the Company was doing what it had been set up to do.

During the course of the discussion, responses were given to a number of questions regarding the breach of the Debt to Cash Flow Covenant including an explanation of its status and relevance.

It was agreed that the Commercial Development Manager for the Company would provide TEB Members with confirmation of both the gross and net yield of current assets.

The Board said it would also encourage the Company to fill the vacant post of a second External Director as soon as possible.

Resolved:

That (i) the draft financial statements for A Better Choice for Property Ltd and A Better Choice for Property Development Ltd be noted.

(ii) the Company's position against financial covenants be noted.

Recommended:

That no action will be taken by the Council in response to the breach of the Debt to Cash Flow Covenant.

67 Half-Yearly Management Update – A Better Choice for Property Limited

The report updated the Board on the Company's business activities over the six month period from 1st July 2019 to 31st December 2019. The Board was disappointed that the Commercial Development Manager of the Company was not present at the Virtual Meeting to present the report. It was agreed that any questions would be compiled and sent to him to respond to outside of the meeting.

The following questions were asked:

- Where does the Company currently pitch its rents in terms of the market level in Ashford Town? (low, mid or top-end)
- Does the Company intend to reduce its exposure by investing in more houses and other property than purely flatted accommodation?

Post Meeting Note: the Commercial Development Manager of the Company contacted the Chairman after the meeting to apologise and advise that he had been having IT connectivity issues which had prevented him from joining the meeting. He asked for any questions to be passed on to him and he would respond to TEB Members separately.

Resolved:

That subject to the responses given, the report be received and noted.

Queries concerning these minutes? Please contact Member Services
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